Camden Lock Village
(Hawley Wharf)
Stanley Sidings Limited

Economic Study
Quod

September 2011

Contents

1 INTRODUCTION

1.1 Stanley Sidings Ltd appointed Quod to undertake an economic study of the potential role of their proposed development at Camden Lock Village (a site also known as Hawley Wharf) in supporting the economic success of Camden Town.

1.2 The site currently contains the Camden Canal Market, railway arches and other workspace, with yards, and some residential properties. The planning brief for the site notes that current uses are sub-optimal and that it has "untapped potential to contribute to the future of Camden Town"[1].

1.3 The wider Camden Town area is one of the Borough's most important economic drivers. Its unique combination of shops and markets; arts, culture, and entertainment; and workspaces and creative industries; and the way they interact with one another has meant that the area has outperformed most other Inner London centres.

1.4 This report considers how the re-development of Camden Lock Village can build on these strengths while addressing some of the key weaknesses, including the local property offer and the environment and perceptions of the area.

1.5 The study covers:

- The current economic context and role of Camden Town in the Camden and central London economy;
- The planning policy context for the site, including the Planning Brief, Camden's other Planning Policies and national guidance on planning for economic uses;
- The baseline position on the site, including employment uses and employee capacity;
- Current commercial property market issues and baseline in Camden Town, including demand and supply of different "B Class" uses;

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[1] Hawley Wharf Area Planning Framework, Supplementary Planning Document, January 2009

- How the emerging proposals address these issues and their likely impacts on employment and the wider economic success of the area.

2 HISTORIC CONTEXT

2.1 Camden High Street dates back to the early 1800's. The Regent's Canal opened in 1820 linking the Grand Union to London Docks. With the railways beginning in the 1830s Camden Town expanded and grew as a distribution and storage hub and an interchange between the railways and the canals, with the link via the Regent's Canal to the docks in the East End of London.

2.2 The Regent's Canal could be used for transporting large or heavy goods cheaply, either to the west and so connect to the canal system stretching to the Midlands, or to the docks in London's East End and from there exported across the world. Camden Town was also near the railway termini at Euston (which first operated in 1837), St Pancras and King's Cross, with links to the Midlands, north of England and Scotland so transport links by water and rail were excellent.

2.3 As a result manufacturing began to prosper with the development of food, drink and tobacco industries located here. Camden Town became associated with brands such as Gilbeys Gin, and Carreras Rothmans. The physical legacy of those activities remains, with the former W.A. Gilbeys Bonded Store now forming part of the Stables Market. The area also developed some niche areas of specialist manufacturing such as pianos.

2.4 By the late 19th Century, Camden Town had developed as a centre of shopping and entertainment with Bowmans department store (on the east of the High Street), and two large music halls, the Bedford Theatre (on the west of the High Street) and the Camden Theatre (now Koko) and became more integrated with central London with the opening of the underground in 1907.

2.5 However, following a brief period of growth after the First World War, Camden went through a long period of decline and deindustrialisation as the advantages of the canal and railways receded. The town centre was plagued with numerous social problems typical of urban decay, rising unemployment, and increased levels of crime.

2.6 This started to turn around in the 1970s, and the catalyst was the opening of Camden Lock. This is summed up in a quote from, "The Growth of Camden Town":

"Canal and railway transport died. Camden Town became a place of depression – bleak, empty of work, dead. However, from 1973, when Camden Lock opened , the first glimmerings of revival could be seen. A few market stalls, some young people selling original fashions – a few artists making and selling their goods – new music - clubs which opened late. Then came the media invasion. It is a story of an area finding a new path, a new way to earn a living, a new purpose."

2.7 Since then, Camden Town has become an internationally renowned retail, entertainment and tourist centre and the markets have continued to play a key role in that transformation.

2.8 It has also been a long-established residential area, again characterised by diversity in housing types, styles and tenures. Housing developed first around both sides of the high street with more prosperous terraced housing to the west towards Primrose Hill and Regents Park and the north towards Hampstead. Large areas of post war Council housing, predominantly in purpose built estates are located across the area and particularly to the east of Camden High Street, although again areas of terraced housing are interspersed.

2.9 As a result the area has a very mixed community, with long-established working class communities, and newer black and minority ethnic communities, predominantly living in social housing, along with prosperous professionals and creative and media employees, and some students and other young sharers.

2.10 The London Plan sets out a hierarchy of town centres. Camden Town is categorised as a Major centre which is defined as:

"characteristic of inner London, such as Brixton, Putney or Camden, are also important shopping and service centres, often with a borough-wide catchment. They are typically smaller in scale and closer together than those in the Metropolitan category. Their attractiveness for retailing is derived from a mix of both comparison and convenience shopping. Some Major centres, which have developed sizeable catchment areas, also have some leisure and entertainment functions. Major centres normally have over 50,000 square metres of retail floorspace."

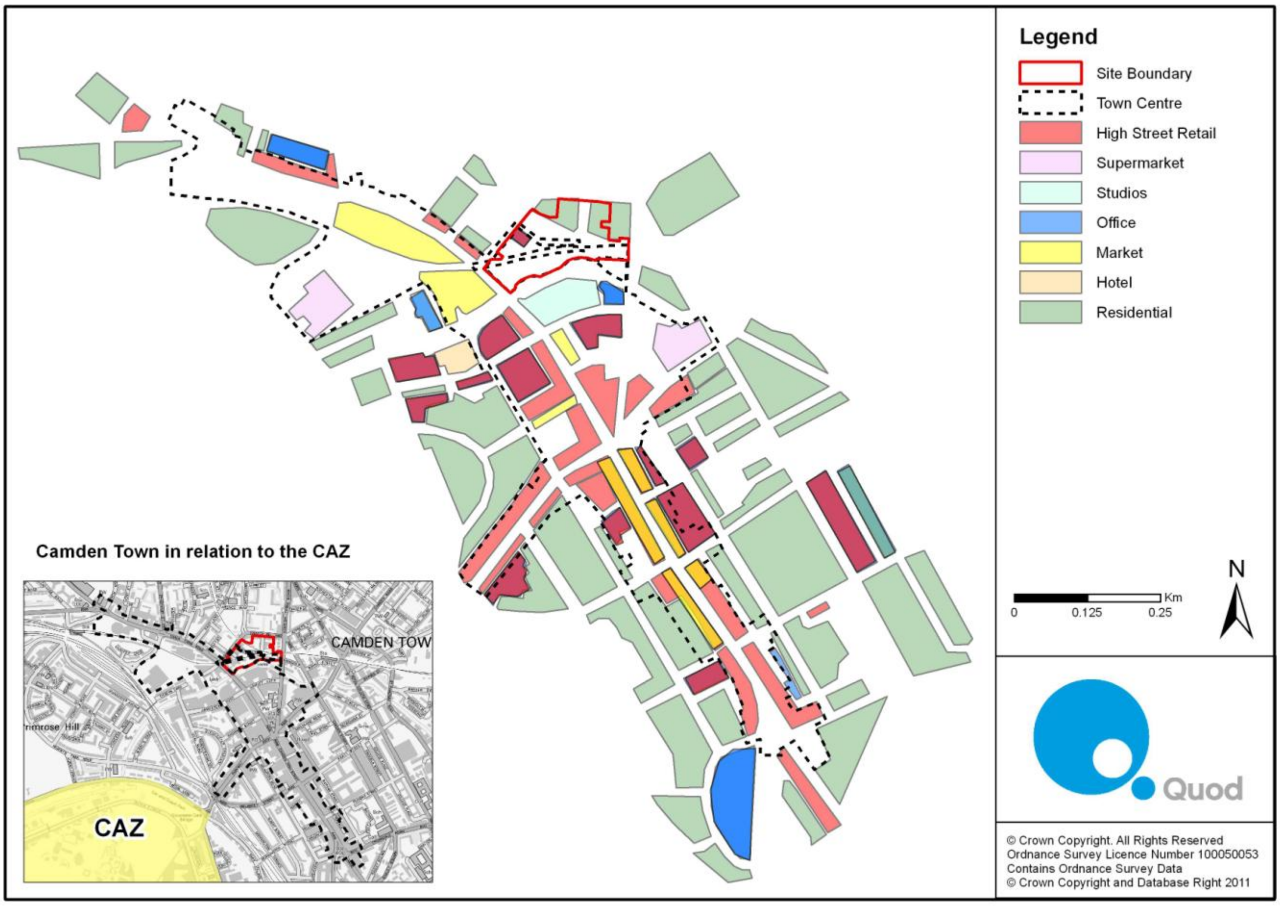
2.11 As will be demonstrated below, Camden Town Centre is significantly more economically diverse than comparable Town Centres and has more jobs. It also has a mix of local, regional, national and international visitors, who are drawn by its unique mix of shopping, leisure and visitor attractions.

2.12 In land-use planning terms, Camden Town is formally defined in LB Camden's UDP as being the area illustrated by the dashed black line in Figure 1 below. However, functionally the town centre is slightly larger and its Business Improvement District extends somewhat beyond the formal Town Centre boundary.

2.13 Camden Town is focused around its linear High Street stretching for about a mile from Mornington Crescent in the south to Chalk Farm in the north. The Town Centre's development reflects the constraints formed by the infrastructure that helped define and drive the development of the area, namely the canal and railway lines, as well as the modern road network and housing.

2.14 Figure 1 also shows the general use classes around the town centre and some broad character areas can be seen.

Figure 1: Camden Town Centre



2.15 The northern end of the town centre by Chalk Farm is made up of smaller scale retail, bars, restaurants and the Roundhouse.

2.16 There are six main markets within the town centre; Buck Street, Electric, Stables, Camden Canal, Camden Lock and Inverness Street, as well as an indoor market on Camden High Street. All of these are clustered around the northern end of the High Street from Camden Town station towards Chalk Farm station. The markets mainly trade in specialist fashion goods, arts and crafts, antiques and food. This section of the town centre also has a large amount of leisure floorspace, bars, restaurants, entertainment etc, workshops, studios and offices.

2.17 To the east of Camden Town tube station, the Camden Road area is predominantly made up of retail and supermarket floorspace, and to the west, the Parkway is made up of small scale retail floorspace, pubs, bars and restaurants.

2.18 Heading south from the tube station towards Mornington Crescent, the southern end of the High Street is made up of a mix of comparison and convenience retail space, office space and some leisure space, including a number of pubs and bars and KOKO.

2.19 In general, Camden High Street takes the form of a traditional high street with a mix of retail, pubs, restaurants and office floorspace. The markets dominate to the north and leisure uses are spread across the whole area.

2.20 Despite the broad area characteristics, there is a strong complementarity of the uses across the whole of the Town Centre so that the whole is greater than the sum of the parts. Other town centres in London have some of what Camden Town has to offer, but no other town centre has all of what Camden Town has to offer and so none can match its overall performance or position as an internationally recognised destination for shopping, leisure and creative businesses.

3 PLANNING POLICY

Draft National Planning Policy Framework Draft, 2011

3.1 The draft National Planning Policy Framework (NPPF) published for consultation in July 2011 sets out the Government's economic, environmental and social planning policies for England. It attempts to summarise in a single document all previous national planning policy advice. Taken together, these policies articulate the Government's vision of sustainable development, which should be interpreted and applied locally to meet local aspirations.

3.2 The draft NPPF sets out the Government's requirements for the planning system only to the extent that it is relevant, proportionate and necessary to do so. It provides a framework within which local people and their accountable councils can produce their own distinctive local and neighbourhood plans, which reflect the needs and priorities of their communities.

3.3 The draft NPPF sets out the Government's commitment to securing economic growth, setting out clear objectives:

- Plan proactively to meet the development needs of business and support an economy fit for the 21st Century.
- Promote the vitality and viability of town centres, and meet the needs of consumers for high quality and accessible retail services; and
- Raise the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural economies.

3.4 The Government's objective to ensure that there is sufficient housing choice to meet the needs of people will be met by:

- Increasing the supply of housing;
- Delivering a wide choice of high quality homes;
- Widening opportunities for home ownership; and
- Creating sustainable, inclusive and mixed communities, including through the regeneration and renewal of areas poor housing.

3.5 The planning system can help achieve the Government objective of creating strong, vibrant and healthy communities by creating a good quality build environment, with good access to social infrastructure by:

- Create a built environment that facilities social nitration and inclusive communities
- Deliver the right community facilities, school, hospitals and services to meet local needs; and
- Ensure access to open spaces and recreational facilities that promote the health and well-being of the community.

3.6 The draft NNPF states that local authorities should be proactive role in the development of new schools. It states that in determining planning applications for schools local authorities should:

- Attach very significant weight to the desirability of establishing new schools and enabling local people to do so
- Seek to mitigate any negative impacts of development through the use of planning conditions or planning obligations, as appropriate; and
- Only refuse planning permission for a new school if the adverse planning impacts on the local area outweigh the desirability of establishing a school in that area.

a) Planning for Growth (March 2011)

3.7 The Ministerial Statement, Planning for Growth, makes explicit the importance of securing economic growth and employment. It states that when considering planning applications local authorities should support enterprise and facilitate housing, economic and other forms of sustainable development. Where relevant - and consistent with their statutory obligations - they should therefore:

- Consider fully the importance of national planning policies aimed at fostering economic growth and employment, given the need to ensure a return to robust growth after the recent recession;
- Consider the range of likely economic, environmental and social benefits of proposals; including long term or indirect benefits such as increased consumer choice, more viable

communities and more robust local economies (which may, where relevant, include matters such as job creation and business productivity).

3.8 In determining planning applications, local planning authorities are obliged to have regard to all relevant considerations. They should ensure that they give appropriate weight to the need to support economic recovery, that applications that secure sustainable growth are treated favourably (consistent with policy in PPS4), and that they can give clear reasons for their decisions.

3.9 The Secretary of State for Communities and Local Government will take the principles in this statement into account when determining applications. Significant weight will be given to the need to secure economic growth and employment.

3.10 Planning Policy Statement 4: Planning for Sustainable Economic Growth.

3.11 PPS4, published in December 2009 takes a broader definition of economic development than previous Government guidance, defining it as development which achieves at least one of the following objectives:

1. provides employment opportunities;
2. generates wealth; or
3. produces or generates an economic output or product.

3.12 It suggests that local authorities should take an evidence based approach to economic development, ensuring that site allocations are re-assessed against policies set out in PPS4, that local authorities should take a flexible approach to make the most efficient and effective use of previously developed land. This suggests that for a site like Camden Lock Village/Hawley Wharf, the Council needs to take a flexible approach which balances competing uses to ensure that the development as a whole can contribute to the sustainable economic development of the area and the Borough.

b) <u>The Town Centre</u>

3.13 The Town Centre is the subject of a number of specific plans, including the Camden Town Place Plan, and policies and reviews, including an Employment Land Review.

c) Camden Employment Land Review (2008)

3.14 The Employment Land Review emphasises how important the office market is to Camden's economic success. The Borough has a disproportionate share of its employment in business services and in publishing and office-based media activities. By contrast it has a very low level of employment in industrial and warehousing sectors – lower even than Central London. It does however have some specialist niches where it is over-represented such as jewellery and recorded media, mainly in south Camden and around Kings Cross.

3.15 It identifies the role of the Camden Town office market as in part overspill from the CAZ and in part an alternative offer based on lower rents and spaces that are particularly attractive to the creative sector. It identifies the area around Camden Town station as offering potential to increase office provision.

3.16 Kentish Town is identified as the main industrial/warehouse area, but Hawley Wharf is identified as an area that should include an element of workshops/light industrial space.

3.17 Overall, the Report forecasts ongoing decline in industrial employment and rapid growth in office and non-B class employment.

d) Planning Brief for Hawley Wharf (2009)

3.18 LB Camden produced a Supplementary Planning Document for Hawley Wharf. This states that the Council will support a mix of uses that includes housing (including affordable housing), retail (including markets, small-scale speciality retail, and local shops), employment and business uses (including replacement provision for light industrial and workshop accommodation that may be lost), and associated community facilities and public spaces. It states that striking an appropriate balance between the needs of visitors and local residents will be crucial to the future success of the overall town centre.

3.19 The SPD states that the commercial floorspace in the Hawley Wharf area should therefore include a mix of studios, workshops and other light industrial floorspace (Class B1), industrial (B2) uses of service to the local area, and offices.

3.20 The SPD states that the following business and employment issues will require particular consideration

- Development of the area around Hawley Wharf could result in some light industrial and workshop uses being displaced and consideration must be given to the provision of appropriate replacement employment floorspace.
- The job opportunities created by alternative development in the area and whether these appropriately offset any loss of existing employment.
- Those parts of the framework area north of the railway viaducts are located in the Kentish Town Area and a balance will need to be struck between the protection of employment uses and the overall aspiration for physical improvement and mixed use development.
- Measures to support local unemployed people to access jobs during construction of new development as well as within new development itself. This may include training opportunities, a local apprenticeship scheme targeting unemployed school-leavers and recruitment schemes which target local residents.
- Ensuring that new business floorspace provides a variety of units, such as managed business units and units which are suitable for small firms, preferably including units in a range between 50sqm to 120sqm.
- Servicing and congestion, travel planning, car-free and cycle parking.

3.21 In addition to the site specific policy, the Camden Town Place Plan (published by the Council in April 2010) identifies four priority areas for action agreed with stakeholders, including residents, visitors and businesses. These are Community Safety; Transport and Public Realm; A Balanced Economy; and Development. Camden Lock Village has the potential to address all of these issues.

4 CAMDEN TOWN TODAY

a) <u>Population and Demographics</u>

4.1 The core part of the Camden Town area is located in the Camden Town and Primrose Hill Ward of the London Borough of Camden, which, according to the 2001 census had a population of just over 11,500. The GLA's ward level projections (2008) suggest that this increased to 12,400 by 2010 and will reach 15,600 by 2031.

4.2 The "wider" Camden Town area is, in whole or part, covered by another five wards: Haverstock (which includes Chalk farm Road north of the railway bridge), Kentish Town (covering part of the area north of the Camden Lock Village site), Cantelowes (covering the southern part of Kentish Town Road and areas to the east of that), St Pancras and Somers Town (which includes the southern part of the area to the east of Camden High Street) and Regents Park (which includes Mornington Crescent and the area to the west of Camden High Street and south of Delancey Street. This area (including Camden Town and Primrose Hill) had a population of 69,200. GLA projections suggest that this reached 74,000 in 2010.

4.3 The most comprehensive dataset on social conditions in the area remains the census from 2001, although given growth and change in the area over the last ten years there will have been significant changes, particularly in age structure and ethnicity. The key points are:

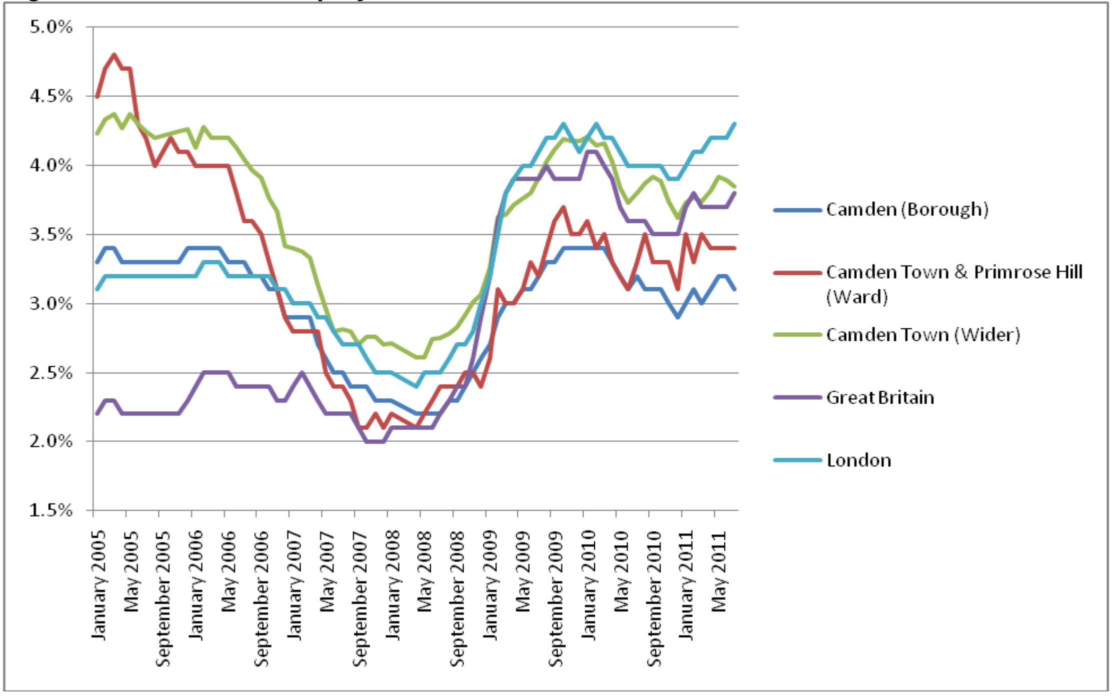
- The ward has a much lower proportion of owner occupied housing than the London and national averages (37% compared to 57% and 69%) and significantly higher proportions of social rented (36%:26%:19%) and private rented homes (27%:17%:12%);
- It has a much higher proportion of residents in professional and higher level occupations (70%), than the London average of 50%, and a highly qualified population with nearly half of residents having a higher level qualification compared to a third at the London level;
- More broadly Camden Town itself forms an area of transition from the more deprived areas of mainly Council housing to the east and south (Somers Town, Regents Park Estate and around Bayham Street and between Chalk Farm and Kentish Town roads), and the

more wealthy and up-market areas around Primrose Hill, Belsize Park and Regents Park, although all of the area remains mixed;

- The majority of the homes are in purpose built flats but there are also very highly priced terraced houses, particularly to the north and west of the area;
- There is strong correlation between areas of affordable housing and worklessness and deprivation;
- The population of the area was (in 2001) predominantly of white British origin although around Somers Town, Euston and Regents Park Estate over half of residents were from non-white backgrounds. The proportion of non-white residents across the area is likely to have increased since the last census;
- South Camden, including Regents Park Estate and Drummond Street and, to a lesser extent, Somers Town, contains one of London's main concentrations of residents of Bangladeshi origin;

4.4 More recent data is available on unemployment and worklessness. The chart below shows unemployment since 2005. This shows that the local area has held up reasonably well so far during the recession. Unemployment in the ward was higher than all of the comparator areas pre-recession but fell rapidly, bottoming out at just over 2 per cent in 2008. It has since risen, peaking at just over 3.5 per cent. Since then movement has been erratic but broadly on a downward trend and Camden Town's (and Camden borough's) registered unemployment is now lower than the London and UK averages. The wider Camden Town area has fared less well although claimant unemployment is still below 4 per cent.

Figure 2: Claimant Unemployment, 2005 to 2010



4.5 Unemployment data do not however tell the whole story. The figures quoted only include those who are eligible for job seekers allowance but there are a number of other "out of work benefits" including Employment Support Allowance and Incapacity Benefits, benefits for lone parents and carers, the disabled and bereaved. Overall the total proportion of working age people in receipt of "out of work benefits" is 13.1 per cent, meaning that for every person counted as unemployed there are three others not working and receiving benefits. In some concentrated areas, including the estates to the north of Camden Lock village over 30% of working age residents receive in work benefits. This will equate to more than half of households.

b) <u>Economic Role</u>

4.6 Since Camden Lock markets opened, Camden Town has undergone a steady process of regeneration with more visitors being attracted by an increasing range of shops, bars, restaurants and venues and more businesses moving in to cater for those visitors. At the same time, this has helped attract other businesses that are drawn by the area's proximity to the West End, relatively inexpensive (non-retail and residential) property costs, and the general ambience from the mix of creative and leisure businesses and shops.

4.7 As a result, Camden Town now boasts a diverse local economy with a wide range of businesses in a range of sectors, particularly in areas such as media and creative industries. Camden's markets have played a large part in creating and supporting the characteristic elements that have lead to Camden Town's success as a town centre.

4.8 Camden Town's unique character and success is due to the combination of its various components. "The whole is greater than the sum of the parts" with each element, being linked to and reinforcing each other. This is what gives Camden Town the competitive advantage over other town centres of its size.

4.9 As a result Camden Town (using the "wider" Town Centre area boundary) is home to just over 15,000 jobs, well balanced across a range of sectors, and despite the impacts of the downturn remains competitive compared to other town centres in the "Inner London" ring.

4.10 The four main drivers of the Camden Town economy are:

- The Markets
- High StreetRetail
- Creative Industries and Office Occupiers
- The Night-Time Economy & Visitor Attractions

4.11 We have gathered a large amount of data on these components drawing on published statistical sources and a number of surveys that have been carried out by Camden Council and various partners. These include the Camden Town Night-time Economy Survey, London Borough of Camden Retail Study 2004 (updated in 2008) and The Role the Markets Play in the Vitality & Viability of Camden Town. These surveys provide a wealth of information regarding the behaviour of the markets and their impact on the town centre.

4.12 The various surveys employ different methodologies, it is important to read the survey results taking into consideration the differences in each methodology.

4.13 The Camden Town Night-Time Economy survey was carried out between 6pm and 10.45pm on a Saturday, Tuesday and Friday in October 2003 at various (15) points around Camden Town. The survey noted that the degree of randomness in the survey may have been affected by certain types of people being more or less willing to participate, for example those in large groups were less likely to stop. Given that the questionnaire was only carried out until 10.45pm some of those involved in the night-time economy may have been underrepresented.

4.14 The Camden Retail Study 2008 examined the retail sector across the borough, focusing on key town centres and their surrounding areas. This study was carried out to update the study that was carried out in 2004 by Camden Council. A survey of representative sample of households in the defined Study Area was undertaken. The survey was telephone based and sampled 1,000 households across the Study Area in eight Study Area zones, including Camden Town.

4.15 The Vitality and Viability of Camden Markets study was carried out by Jordan Research in January 2006. The purpose of this study was to assess the vitality and viability of the markets, the contribution of Camden Market (at Buck Street) and the linkage between the markets to each other and the town centre. The survey was carried out as an on-street shopper questionnaire.

c) Retail

4.16 Camden Town has a wide range of comparison and convenience retail floorspace. The retail offer in Camden Town is mixed, but some of the offer is on a par with that of areas in the West End and Covent Garden and attracts visitors at a regional, national and even international level. Camden Town is an attractive location for retailers, with yields comparable to the West End, rents are high and vacancy rates are low.

4.17 Across the town centre A1 uses predominate, although there is a substantial amount in uses A3 – A5, as shown in the following table:

Table 1: Camden's Commercial Floorspace

Use Class	SQM
A1	**55,250**
A2	**6,110**
A3-A5	**26,000**
D1-D2	**11,000**
TOTAL	**98,360**

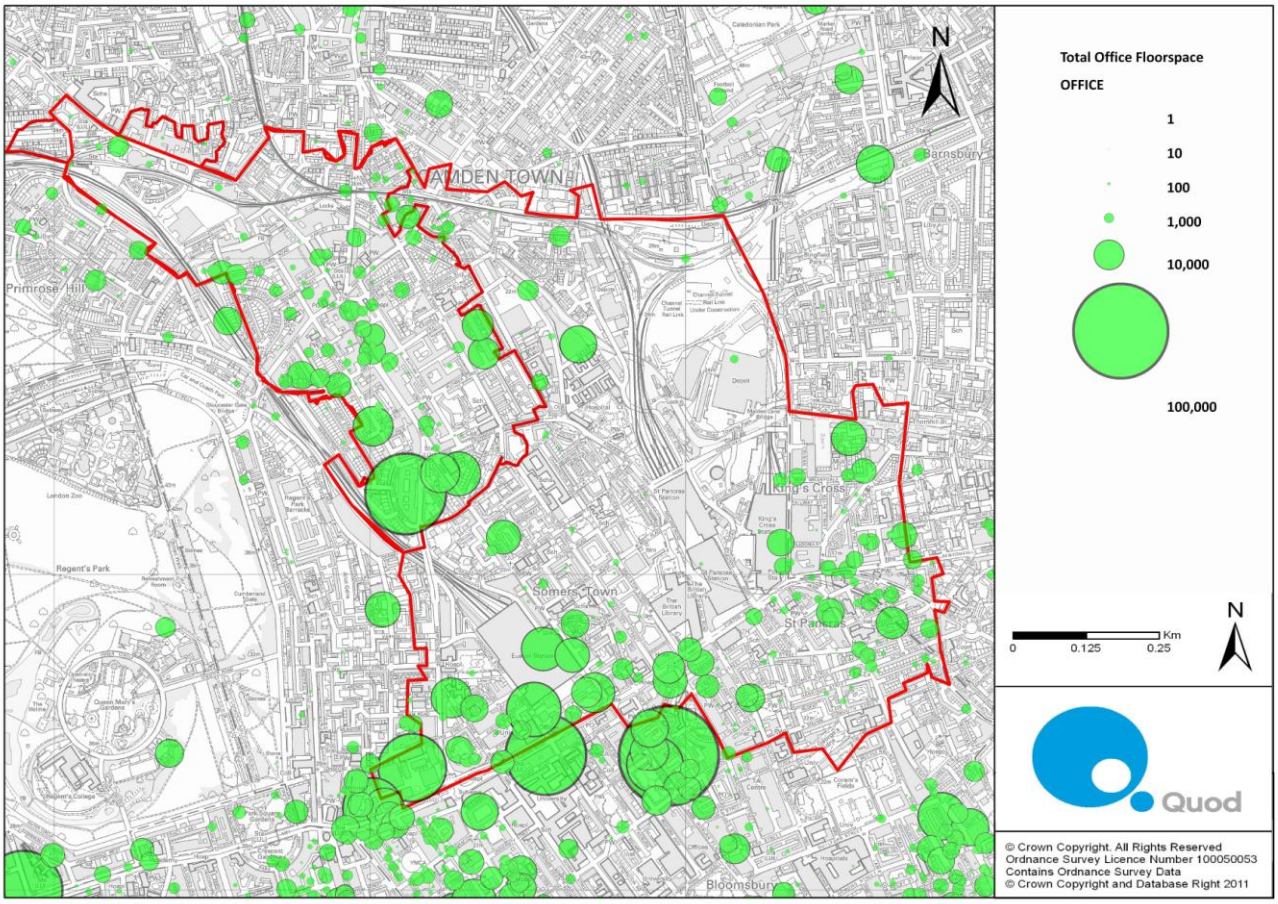
4.18 The Tym & Partners survey identified that the most common reason for shopping in the Town Centre is to buy fashion goods such as clothing and shoes, with 27% of visitors there for that main purpose. Average spending was estimated at £36.10 on comparison goods and £7.43 on convenience goods.

d) Creative Industries and Office Occupiers

4.19 Offices make up almost 60% of the commercial floorspace in Camden Town and form the most significant part of the employment base. Most of these are set back on side streets or behind the more visible retail core, making it easy to miss the importance of this area as a business location, and they also generate significant footfall for retail and leisure/entertainment uses.

4.20 There is a good mix of good quality small and medium offices (over 35% of office space is between 1,000-5,000ft²), both purpose built and refurbished.

Figure 3: Location & Size of Offices, Camden Town & Euston/ Kings Cross



Source: VOA and Quod

4.21 Camden Town has almost twice the concentration of creative firms than the average for inner London. In total, there are around 500 creative workplaces, with around 5,000 employees – about a third of total workforce jobs in Camden Town. This is a significantly higher proportion of total employment than other areas such as Shoreditch and Borough which, despite their reputation as creative hubs, have a high proportion of their jobs in large floorplate offices on the Fringes of the area.

4.22 Creative industries in Camden Town include businesses such as software consultancies, advertising firms, publishing houses, radio, television and news media and firms which involve "artistic and literary interpretation".

4.23 These are typically quite small firms, with an average of 10 employees per firm in Camden Town. However, there are also national and international creative firms with large offices or headquarters in Camden Town, including: MTV, Associated Press, Elsevier Ltd, CBS Outdoor, Bauer Publishing Ltd, and Getty Images; architects e.g Sheppard Robson, and fashion companies The French Connection Group, Ted Baker, and Hugo Boss UK.

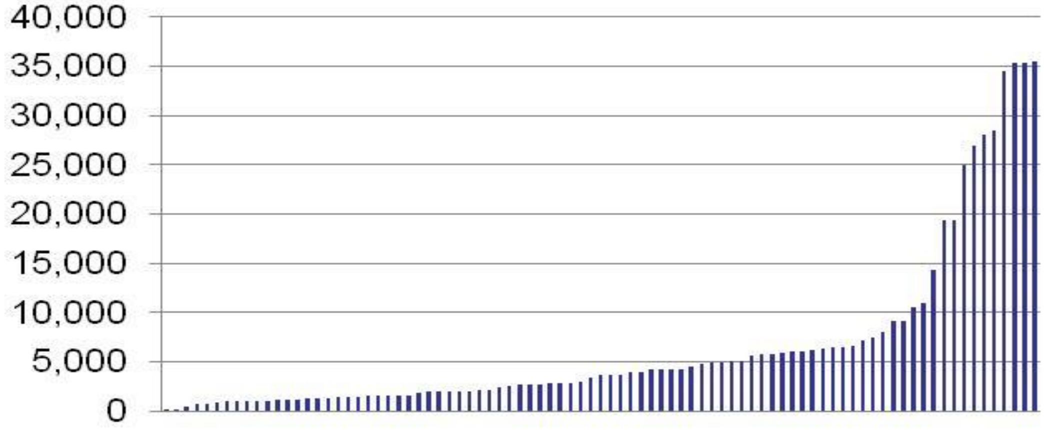
4.24 This success in attracting high profile names and many smaller creative firms is in part because of Camden Town's attractions as a leisure and retail destination, and at the same time helps support and sustain that leisure and retail function.

4.25 The larger businesses tend to be located in a small number of larger multi-let office buildings or complexes on the edges of the town centre, notably Greater London House on Mornington Crescent, the Centro Complex on Camden Street/Pratt Street, the Interchange at Camden Lock and buildings on Eversholt Street. These are refurbished industrial buildings rather than new-build.

4.26 The bulk (64%) of lettings however have been in smaller units of up to 5,000 ft (c 460 sqm), as shown in figure 4, below. These cover a range of office types including space above shops, small multi-let studios, converted buildings and a small amount of serviced units. Most of the space is second hand and relatively low specification although there has been some limited new build, usually as part of a wider "mixed-use" development.

4.27 There have been suggestions that some occupiers are put off by the area's environment and reputation for anti-social behaviour however this is an issue which should be addressed by good management practices and by appropriate locations of business space close to public transport, but away from main frontages.

Figure 4: Office Letting Sizes (sqft) Camden Town, 2005 to 2010



Source: EGI

e) <u>Night-time Economy and Visitor Attractions</u>

4.28 Camden Town boasts a vibrant and dynamic night-time economy offering a wide range of entertainment and leisure facilities. The night-time economy in Camden Town is unique and has become one of the most important music hubs in the city. There is a range of renowned live music venues and clubs in the town centre resulting in Camden Town playing a key role in the development of the British music industry and youth pop culture. As a result, Camden Town is now strongly associated with key eras in British music over the last thirty years.

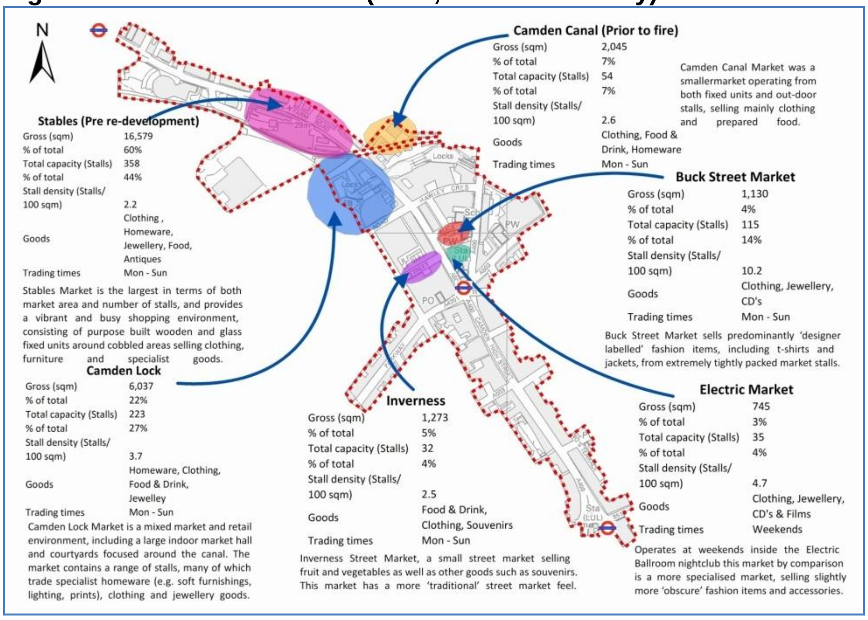
4.29 There are 60 pubs and bars, 12 music venues/ nightclubs and approximately 80 restaurants, cafes and takeaways with an estimated capacity of over 11,000 in total. The survey carried out by the GLA estimated that between 9,000 and 15,000 people socialise in Camden Town on an average Friday and Saturday night. With annual visitors numbers ranging between 2.3 and 3.8 million. The GLA survey estimates that approximately 1,400 people are employed in Camden Town's night-time economy and the overall annual expenditure is within the range of £70 to £120 million.

f) Markets

4.30 The Markets vary significantly in terms of their size and what they offer. Stables Market is the largest both by the number of stalls and by floor area, which is bigger than all the other markets put together. All the markets sell clothing, arts and crafts, antiques etc, but they serve different clientele and each has a different range of other stalls and its own identity. For example, Inverness Street is more like a traditional street market, whilst the Electric Market is more niche.

4.31 The following map shows the location of the markets and summarises the key features of each.

Figure 5: Camden's Markets (2008, from RTP Study)



4.32 The results of the surveys outlined above provide an overall picture of the characteristics of Camden Town Centre and the impact of the markets.

4.33 A high proportion of people surveyed (27%) were in the Town Centre with the predominant purpose of buying fashion, clothing and/ or shoes. However, this proportion varies spatially throughout the town centre. For instance, the Tym & Partners 2006 survey found that to the north of Camden Town tube station, 90% of visitors surveys cited shopping as the main purpose of their visit.

4.34 The markets in Camden Town Centre area constitute a large component of the retail offer within the town centre. As a result, 75% of Town Centre visitors surveyed during the week were visiting the markets and 85% of all visitors over the weekend.

4.35 Within that overall number, the markets within the Town Centre vary in popularity with Camden Lock being the most popular. However, it must be noted that these surveys were carried out before the development of Stables Market which is likely to have increased footfall since the survey was undertaken.

Table 2: Visitors Attending the Markets (2006)

Market	Weekday	Weekend
Camden Lock	78%	83%
Stables	66%	73%
Buck Street	55%	52%
Canal	54%	52%
Electric	N/A	34%

Note: These are the % of people who were asked which markets they had visited

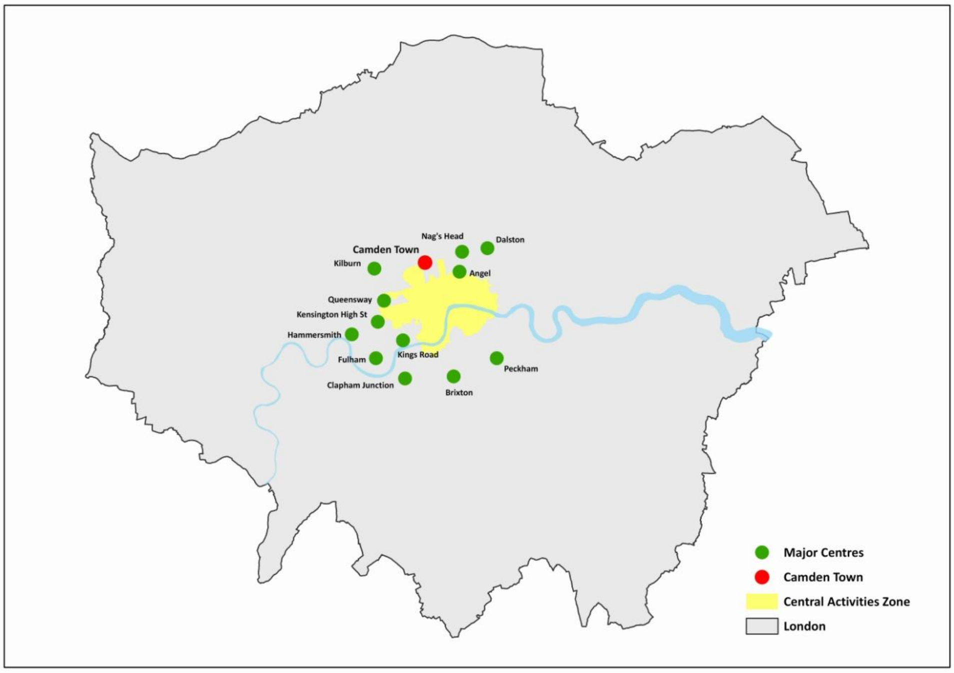
Source: TYM & Partners, 2006. The Role the Markets Play in the Vitality & Viability of Camden Town

4.36 Most shoppers are buying fashion goods (88%), followed by specialist goods (57%), electrical items (34%), and food and drink (22%)

g) Benchmarking Camden Town

4.37 As set out above, Camden Town is categorised in the London Plan as one of a number of “Major Centres” that surround the Central Activities Zone.

Figure 6: Major Town Centres



4.38 There are 35 major centres identified in the London Plan. A number of which have some similarities with Camden town. For the purposes of this exercise we have benchmarked Camden Town against the following Centres:

- Hammersmith
- Kensington High Street,
- Brixton,
- Kings Road,
- Angel,
- Dalston,
- Lewisham and
- Peckham.

4.39 These centres all have something in common with Camden Town. Key characteristics include their size, mix of uses, the importance of markets, proximity to central London, national/international profile and local demographics.

4.40 While Camden Town has some similar characteristics to these other town centres there are a number of distinct differences. For example, Camden Town is bigger than most similar centres and has more employment. With 15,622 jobs, Camden Town is on a par with Hammersmith (15,107) with only High Street Kensington (18,150) having more jobs.

Table 3: Town Centre Areas and Jobs

Town Centre	Per Ha	Total Jobs
Angel	**185**	**11,589**
Brixton	**106**	**6,030**
Dalston	**58**	**2,227**
Hammersmith	**266**	**15,107**
High Street Ken	**121**	**18,150**
Lewisham	**53**	**7,729**
Peckham	**36**	**4,172**
Camden Town	**159**	**15,622**

4.41 In addition to the headline number of jobs, Camden Town has the added advantage of having a diverse private sector led economy. Whereas the comparator town centres tend to have a single sector that is much bigger than the others, Camden Town is more diverse and has a much bigger "Other Services" sector and a relatively smaller public sector. Table 4 below shows the industry sector breakdown for each of the town centres.

Table 4: Comparator Town Centre Sector Employment Breakdown

	Manufacturing	Retail, Catering & Distribution	Business & Finance	Public Education & Health	Other Services
Dalston	6%	41%	29%	12%	8%
Hammersmith	2%	18%	51%	14%	10%
Angel	4%	30%	31%	17%	8%
High Street Kensington	14%	33%	23%	12%	10%
Brixton	1%	25%	6%	51%	15%
Lewisham	1%	33%	25%	23%	3%
Peckham	2%	30%	11%	35%	5%
Camden Town	8%	29%	33%	9%	17%

5 COMMERCIAL PROPERTY MARKETS

5.1 Camden Town is on the edge of the Central Activities Zone (CAZ), the location of most of London's "World City" functions, including offices, leisure, tourism and retail activity, it also is one of a number of CAZ fringe areas which mark the transition from the CAZ to more residential locations. Other similar areas would include Paddington, the City Fringe, and the South Bank/ Bankside. It is also part of a ring of major Town Centres such as the Angel, Brixton and Peckham, which have seen a major change in their role and function.

5.2 Until twenty or thirty years ago these areas were a mix of retail and leisure in amongst wider industrial, distribution and workshop areas and significant, high density residential communities. These areas experienced prolonged decline as retail and leisure was sucked into the Central area (West End) and dispersed, along with population to outer London and beyond. Industrial and other uses also spread out into more suburban locations or outside London altogether.

5.3 Since then, they have been successfully regenerated with a combination of housing and the outwards spread of CAZ-type activities, albeit whilst maintaining quite different local characteristics from the CAZ itself. As a result, Camden Town is now home to major corporate office occupiers, creative industries and a range of retail and leisure businesses.

5.4 The companies that locate there do so for a variety of reasons, often having considered other locations. As such there is no clear measure of potential demand for any type of commercial space across Camden Town Centre and around its fringes. Occupiers would also be considering other similar locations such as Paddington, Farringdon, Clerkenwell, the City Fringe, and Angel.

5.5 The most visible element of Camden Town is the tourist, retail and entertainment core. However, it is also an important 'hub' for cultural and creative industry, including software, media, publishing, advertising, fashion companies, and design-oriented SMEs. In reality, a high proportion of Camden Town's floorspace is actually in offices but they are less visible because often because they are set back away from the main streets and the area lacks the highly-visible large-floorplate office towers found elsewhere. The result is that the Town Centre has a very wide range of different types and quality of office buildings.

5.6 This section therefore reviews actual recent demand in the area across a range of B class uses, including:

- Offices: Self Contained, New Build and Refurbished (B1 (a))
- Second Hand Offices, Serviced Offices & Studios (B1 (a))
- Workshops – Artist Studios and Creative Industries (B1 (c))
- Arches (B1a, B1c and Sui Generis)
- Industrial (B1c, B2, B8 and Sui Generis)

5.7 It reviews transactions that took place in 2010, sets them in a longer term (five-year) context and finally considers the specific needs of the creative industries sector.

a) Recent Property Transactions

5.8 As Table5 shows, there were 32 transactions in the B1 class use in 2010 totalling just over 45,000 sqm. However, the vast majority of deals and floorspace were in the south of the area around Euston and more specifically in the modern British Land development at Regent's Place.

5.9 In the core Camden Town area, the number of transactions was just 11, with an average size of 260 sqm and rent of £226 per sqm.

Table 5: B1 Transactions in Camden

Location	Total Floorspace (sqm)	Lettings	Average size (sqm)	Average rent (per sqm)
NW1 0	2,125	7	304	£213
Eversholt St	3,524	10	352	£322
Euston	4,996	3	1,665	£418
Regent's Place	34,439	8	4,305	£332
NW1 7	729	4	182	£263
	45,813	32	1,432	£334

5.10 In contrast there has been just a single commercial industrial deal – the sale of just over 2,000 sqm on Jamestown Road.

5.11 The following sections review the performance of different segments of the local market over the last five years.

Offices: Self Contained, New Build and Refurbished

5.12 There is a relatively small amount of this kind of floorspace and what supply there is is concentrated in a small number of buildings:

- Greater London House
- Centro (Pratt Street/Camden Street)
- Carlow Street
- Eversholt Street

Figure 7: Greater London House

5.13 Figure 7 shows Greater London House near Mornington Crescent. Whilst Figure 8 shows the recent new development at Clearwater Yard (11,500 sq ft). There has been further new development at the Iceworks (20,000 sq ft).

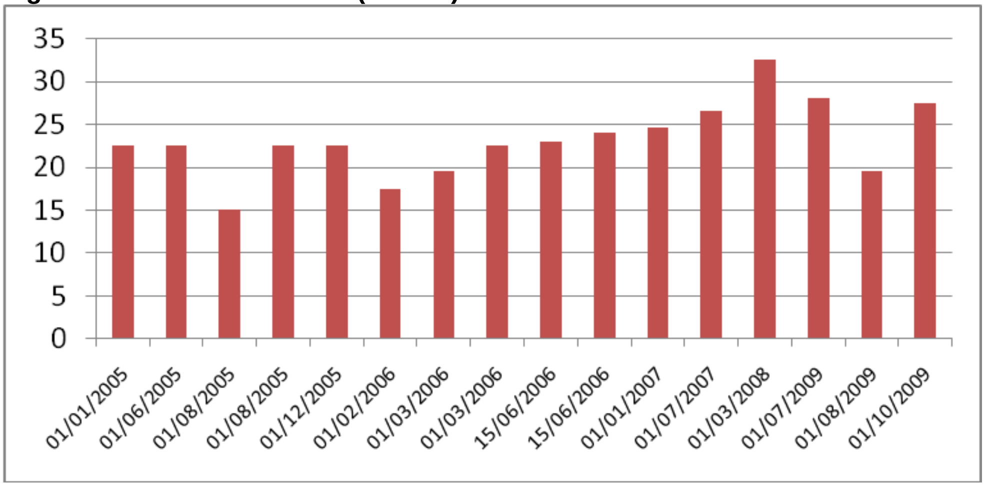
Figure 8: Clearwater Yard

5.14 These buildings house major fashion brands such as French Connection and Whistles, as well as creative businesses in new media, advertising and marketing and design. There are also some public sector and charity occupiers.

5.15 Most lettings are in the range of 5,000 sq ft to 35,000 sq ft in multi-let buildings (see Figure 4, above), and most have very low vacancy rates.

5.16 Rents are mainly in the range of £20 to £30 sq ft. These have varied significantly in recent years, as the following figure shows.

Figure 9: Benchmark Rents (Centro)



Second Hand Offices, Serviced Offices & Studios

5.17 As shown above, smaller units dominate the office market in Camden Town, and in this segment in particular. The median size of second hand and serviced offices is 1,400 sq ft and around 80% of units are under 5,000 sq ft. This is typical of space that is used for start-ups and small companies, especially in creative industries, and business/professional services.

5.18 Rents are similar to larger, self-contained offices and are around £25 per sq ft. Although the quality of buildings is lower, the rents reflect the higher level of service and/or the greater flexibility of the letting terms available. Serviced units typically have a communal reception area staffed by the building operator, and break out spaces & meeting rooms that can be booked as required.

5.19 The amount of serviced office space in Camden Town is currently very limited and the bigger multi-let buildings (such as the Workspace building on Pratt Street) are fully occupied.

Workshops – Artist Studios and Creative Industries (B1 (c))

5.20 This is typically very low cost, second hand space with rents of £8 to £15 per sq ft inclusive. Units would typically be between smaller and let at very low specifications – often just shell and core.

5.21 Because the rents are so low, they are often operated by charitable providers and/or receive some public subsidy. Examples across London include:

- Space Studios (Hackney)
- ACME Studios (typically CAZ fringe)
- ACAVA (mainly West London)
- Clerkenwell Green Association

5.22 This sort of space is quite rare in Camden Town, but a smaller version of the concept has been developed by Camden Town Unlimited through its Collective building. This offers six month lets to new creative businesses in an open plan building that is effectively part office and part gallery.

5.23 The occupiers of these buildings range from visual artists to designer makers e.g. jewellery, fabrics and ceramics.

Arches (B1a, B1c and Sui Generis)

5.24 As with workshops, similar businesses would also make use of railway arches and managed live-work space. Rents are strongly influenced by how the space is used and its specification – arches that are mainly office (eg with a mezzanine floor) would be slightly bigger and attract rents of £25 per sq ft, similar to the more general office offer in the area.

5.25 Arches with a more industrial workshop feel would be slightly smaller and attract rents of £10 to £15 per sq ft.

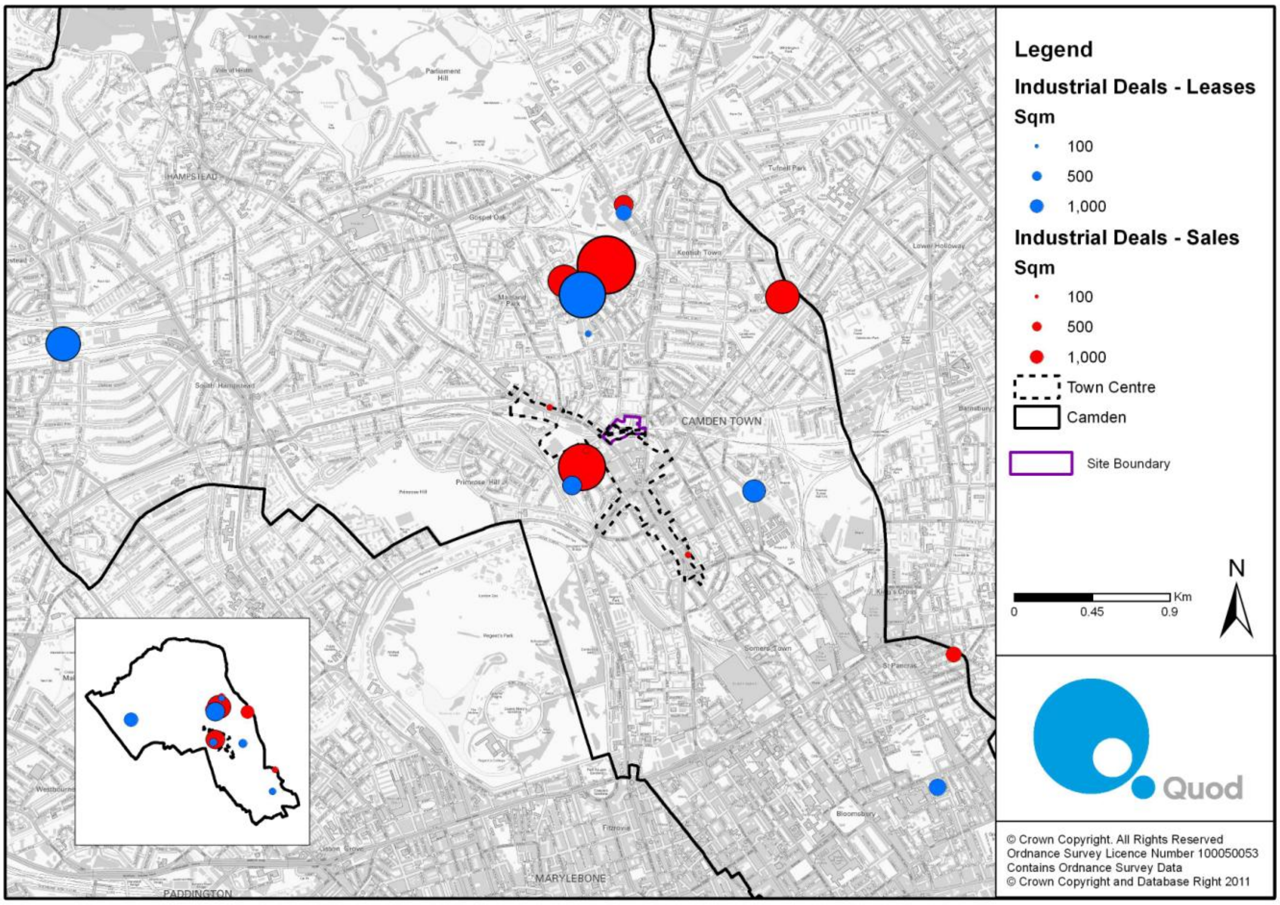
Figure 10: Office with Mezzanine

5.26 Whilst, as set out in the Camden Employment Land Study, the use of arches for motor repair, which has recently been the main use in Camden Town (see below) has made a contribution to the diversity of employment offer in the area, this is on a relatively small scale, and in the case of those businesses that were located in the central part of the area formed a major barrier to comprehensive re-development of the site, the ability to improve the environment and bring wider benefits.

Industrial

5.27 In the last five years there have been 18 industrial transactions ranging from 231 sqm to 3,180 sqm. Of these deals, ten were investment or sale transactions and only eight were new leases. Sales are transfers of ownership that do not necessarily indicate occupier demand. These are shown on the following figure.

Figure 11: Industrial Transactions



5.28 As can be seen, they are spread across the Borough, but most activity is to the north of Camden Town, particularly in Kentish Town. This is in line with the long term trends set out above.

b) <u>Advice from Agents & the Needs of Creative Businesses</u>

5.29 The Applicant has taken extensive advice from agents about the market for office space and likely occupiers. The key points were

- Occupiers will most likely be from the media, fashion, advertising, and creative industries, and the type of space they demand is very varied
- Demand for artisan workspace
- The ideal unit size is 2,000 - 5,000 sqft but with flexibility in the design

- Some demand for flexible space i.e. 500sqft, 1,000sqft and 2,000sqft units
- Plain finish, industrial look will be let easily as long as all infrastructure is in place
- Occupiers like the feeling of the community so provide in house facilities like bar, café, canteen, etc

5.30 The needs of creative businesses are neither uniform nor are they necessarily always distinct from more general B1 property requirements.

5.31 Businesses come to Camden Town for a variety of reasons, including:

- A specific property offer
- Lower rents (compared to CAZ locations)
- Good transport links & proximity to customers
- Good/ large space through warehouse conversions
- Advantages of cluster locations – pull factors for similar organisations.
- `Vibrancy' of the area

5.32 This is true specifically of creative businesses as well as of business more generally. Furthermore, Camden Town's creative industries sector encompasses a wide range of business types from very small start-up businesses through to major multi-nationals in the creative part of business and professional services. This would further suggest a diversified property requirement.

5.33 We have undertaken a literature review of London's creative sector generally, spoken to specialist providers of workspace targeted at creative industries and reviewed lettings in the last year across the Camden Town area.

5.34 The GLA defines creative industries as including:

- Advertising
- Architecture
- Arts and Antiques
- Crafts

- Fashion
- Leisure Software
- Film and Video
- Radio and TV
- Music
- Publishing

5.35 It is clear that the property requirements from this range of businesses will vary significantly. Advertising and architecture firms will require fairly ordinary B1 space. Crafts businesses may require some more specialist workspace, as may fashion and media production companies, but in general the needs of businesses will be specific to the activity they wish to carry out, rather than there being a generic "creative industries" property requirement.

5.36 Camden Town has businesses in all of these sectors and therefore has a varied property requirement to meet the sector's various needs. This means that the property demand is for everything from small basic units with infrastructure but not fitted out through to very high specification offices and studios.

6 CAMDEN LOCK VILLAGE: PROPOSALS

6.1 The assessment above suggests that Camden Town is a success. It has economically outperformed comparable locations, has a more diverse economy, and provides job opportunities for local people. This has been underpinned by having a range of drivers for the local economy, rather than relying on a single sector or employment types, with major strengths arising from the markets, retail, leisure and entertainment and smaller offices and creative industries.

6.2 There are inevitably some tensions between these uses and with local residents, with concerns about crime and anti-social behaviour and the quality of the local environment. The area also has major concentrations of deprivation and worklessness, particularly to the east of the site – stretching from Somers Town up to Kentish Town Road and associated with large areas of purpose built Council housing. Private housing in the area is very expensive leading to the area being at risk of increasing polarisation between the very rich and the very poor.

6.3 The markets themselves play a very significant role in the success of Camden Town – both directly through visitors, spending and employment, but also indirectly by contributing to the broader perceptions of Camden Town as a creative hub in London's economy.

6.4 Camden Lock Village needs to build on these strengths whilst addressing the various concerns and weaknesses in order to meet the commercial needs of Stanley Sidings Ltd and the aspirations of the Council and local residents for the area.

6.5 This section reviews the specific contribution of the Stanley Sidings Ltd' markets, sets out the employment baseline for the proposed development site and then assesses the emerging masterplan.

a) <u>Employment Baseline</u>

6.6 This section provides an assessment of the baseline on-site employment for the Camden Lock Village. Full details are shown in the tables at Annex 1, which have previously been presented to LB Camden by Gerald Eve.

6.7 It is based on the use of standard floorspace to jobs multipliers for the appropriate use types, and represents "workspaces" rather than "Full Time Equivalent" jobs.

6.8 The key data source is Employment Densities Guide 2nd Edition 2010, this was written by Drivers Jonas Deloitte for the Homes and Communities Agency (HCA).

6.9 We have used this to identify the following workspace to floorspace densities:

- A1 and A1/A3 non-market retail – 19 sqm (net) per workspace
- A1 market retail – 12.5 (net) per workspace
- A4 and A5 – 18 sqm (net) per workspace
- B1 (a) Office – 12sqm (net) per workspace
- B1 (c) Workshop – 47 sqm (net) per workspace
- B2 – 36 sqm gross per workspace
- Sui Generis – this applies only to the Building Supplies firm for which we have assumed a density of 47 sqm net per workspace. For employment assessment purposes we have discounted the external space.

6.10 In addition to HCA's employment densities we have assumed 12.5 sqm per workspace for market retail. This is based on a review of the Council commissioned study of the role of markets in Camden Town and our own assessment of Stanley Sidings Limited operations. The Roger Tym Study (Tables 4.2 to 4.4) identifies gross floor areas and number of stalls per market. This ranges from 1 stall per 10 sqm for Buck Street Market to one stall per 46 sqm for Stables Market – largely due to large storage and void areas, and the inclusion of fixed shops and food outlets. Camden Lock Market sits at a mid-range of approximately 25 sqm per stall. Surveys of the local area (NOP world for Camden Lock Market) and information provided by Stanley Sidings Limited suggests that on average there are two employees per stall. Using this as a central estimate we have used 12.5 sqm per job in the market areas.

6.11 We have applied these ratios to the baseline floorspace by use class with one exception – we have assumed that the Scar Studios/Drum School has an employment ratio closer to the B1(a) use than the B1 (c) class into which it nominally falls.

6.12 We have then totalled the numbers under the following headings:

- Retail and Hospitality
- Office/Creative (includes Scar Studios)
- Workshop/Motor Repair (includes builders supply)

6.13 We have then sought to break these numbers down further by identifying the types of jobs which might be provided by these uses. To do this we have used Annual Population Survey data from 2010 to identify occupations by industry.

6.14 For retail we have used Industry Groups G to H (Retail, Distribution, Hotels and Restaurants) for London. This shows 23% of jobs in managerial and supervisory roles and 77% in sales and other roles. We have applied these splits to the overall retail numbers.

6.15 For office and creative workspace we have used Groups J to K (Banking Insurance and Finance) and O to Q (Other Services). These show an average of 79% of staff in Managerial, Professional and Technical Occupations and 21% in secretarial and administrative roles. We have applied the splits to the overall office numbers.

6.16 Official employment breakdowns by occupation are not available for workshop/motor repair sectors, and using the wider retail and distribution sector of which it forms part would skew the numbers towards sales occupations. We have not therefore broken down these numbers.

6.17 The totals are shown in the Table below. It should be noted that this effectively shows the "capacity" of these uses for workspaces – where they were under-occupied, or unoccupied, the actual employment numbers are likely to be lower.

Table 6: Table 6 Existing Commercial Floorspace Areas and Employment Capacity

Use Class	Gross External Area (GEA)	Jobs
A1	2,424	155
A1 / A3	69	5
A5	419	20
B1a	4,652	315
B1c	1,885	30
B2	458	10
Sui Generis	1,017	10
Total	10,925	545

Source: Quod Analysis, note that number are rounded and therefore vary slightly from the numbers in the Schedule at Annex A

Table 7: Baseline Workspace by Sector and Occupation

Workspaces By Sector & Type	Jobs
Retail, Food & Drink: Managerial and Supervisory	41
Retail, Food & Drink: Sales and Other	139
Office/Creative: Professional, Managerial and Technical	249
Office/Creative: Admin & Secretarial	66
Workshop/ Light Industrial	50
	545

6.18 Most of the existing tenants reached an agreement with the site owners several years ago to move onto new flexible leases for which they were paid significant compensation.

6.19 The developer will encourage existing tenants to stay and will work with them to ensure that disruption is kept to a minimum. However, given that most of the protected tenants have already received compensation, the developer does not believe that further compensation, rent subsidies or rent caps are necessary to make this acceptable in planning terms.

b) Proposed Development

6.20 The development partners share LB Camden's aspirations for a vibrant, mixed-use scheme that provides commercial space for a range of businesses, including start-up and small businesses and businesses from the creative industries sector.

6.21 Stanley Sidings Ltd (SSL) has extensive expertise in managing commercial market retail property and we believe this has been a major contributor to the success of Camden Town.

6.22 SSL understands from its experience that getting the tenant mix right is a crucial part of its success and it is therefore very important to maintain a significant amount of flexibility. This enables SSL to manage the expansion of firms, without them needing to relocate, and to place the right tenants close to one another.

6.23 The CLV development will include a range of floorspace types which is in line with the Hawley Wharf Planning Brief, and draws on the advice of local agents.

6.24 The developers do not wish to have vacant space and will therefore price it at an appropriate level to ensure it is occupied. These levels are likely to be competitive given the nature of the space, its location, and the standard of its fit-out. In particular, the nature of the markets means they will offer very low-cost space for start-up businesses.

6.25 The masterplan proposes a comprehensive re-development of the Hawley Wharf site, providing a balanced mix of uses on the site, while maximising the efficient use of land and providing an upgraded, high quality, environment.

6.26 The proposed uses are:

- Retail (high street and market retail), Food and Drink and leisure, in new purpose built facilities;
- New office floorspace, to replace existing floorspace at Water Lane and on Castlehaven Road, with new higher quality and more efficient space;
- Refurbishment and Improvement of arches, combined with new lower specification space to provide for both Business/Workshop and Light Industrial Uses;
- Flexible B1a/ B1c use class;
- A new one form entry (1FE) primary school with nursery

6.27 For all uses the proposed floorspace exceeds the existing levels for the same use. As a result, there is likely to be increased employment for all types of floorspace, including industrial class uses under B2 and B1(c), which will partly be accommodated within the arches, enabling mezzanine floorspace provision to support more intensive employment, and with vehicular access via the service road.

6.28 These uses, in themselves will address a number of points in the brief and the key drivers for success in Camden Town – providing a balanced community and a balanced economy.

c) Supporting the Camden Town Economy

6.29 As set out above, Camden Town is an internationally renowned tourist, retail and entertainment centre. It is much more economically diverse than comparable town centres and has more jobs. It has a mix of local, regional, national and international visitors who are drawn by its mix of shopping, leisure and visitor attractions.

6.30 The proposals for Camden Lock Village will make a major contribution to the Camden Town blend and support its continued success. The proposals include all the key elements that make Camden Town successful – retail, including markets, food and drink, and employment space that is focused on creative industries. This is combined with design and management that will ensure that the anti-social behaviour problems that blight other parts of the town centre are minimised as far as possible here.

6.31 The market area will be an enhancement of the existing conditions, retaining a large number of stalls but with a higher quality environment. The markets remain the major draw for visitors to Camden Town with 85% of weekend visitors stating that they visit them. CLV will benefit from proximity to the two most popular markets – Stables and Camden Lock markets – as well as helping to spread visitor numbers and spend along and away from Camden High Street.

6.32 The existing markets play a very important role in supporting entrepreneurship. Both Stables and Camden Canal markets have been successful incubators for businesses, with around 10% of stalls having additional premises elsewhere.

6.33 The markets offer a simple way for businesses to become established in a successful area with heavy footfall. Non-licensed businesses are offered rolling weekly tenancy agreements, provided rent continues to be paid, for an unspecified period of time, so long as both landlord and renter agree about the renter retaining tenancy. This allows the occupiers to move in and out of premises easily, and without taking on significant long-term liabilities. This is ideal for the types of businesses markets attract.

6.34 In addition to offering flexible leases, the markets also offer spaces of different sizes to meet the needs of the tenants. There are four categories of space in the existing markets:

- Small – 5-15sqm
- Medium – 15-35sqm
- Large – 35+sqm
- Arches – up to 140sqm

6.35 The range of sizes available means that tenants can find the amount of space that they require, and as they grow are able to move from smaller spaces into larger ones. Tenants do not have to take on the cost of fit-out which has clear benefits to the viability of start-ups. The

Cyberdog

Cyberdog is one of Stables Markets most successful businesses. It has become an icon in the dance music scene selling clubwear and accessories.

It started as a stall in the market during the early 90's and has now grown into a successful retail chain with franchises in Manchester, Brighton, Basel, São Paulo, Tokyo and Ibiza.

Punkyfish

Punkyfish is a successful clothing brand and retail chain that epitomises Camden's fashionable image. It got its start in Stables Market before moving onto the high street and now has two outlets in Camden Town, and 29 stores throughout the UK, and a further 20 throughout Europe Taiwan and Canada.

combination of flexible leases and different sizes of space means that tenants have a very flexible offer that enables them to start-up quickly, avoid significant overheads and long-term liabilities and enables them to move to space that better meets their needs as they develop and grow.

6.36 Whilst the offer to tenants is flexible and they are able to start trading very quickly, there is also a focus on maintaining the quality and feel of the markets when signing up new tenants. They need to have a suitable product to sell and they must comply with market policies.

6.37 The result of the combination of flexible terms, variable space and focus on quality businesses is that a large number of long-term tenants, with many occupants staying up to 15 years and a number have become particularly successful (see sidebar on previous page).

6.38 As set out above, Camden Town has businesses in several creative industry sectors and therefore has a varied property requirement to meet the sector's various needs. This means that the property demand is for everything from small units with basic amenities through to very high specification offices and studios.

6.39 The sector has around 5,000 employees across around 500 workplaces but businesses vary in size from national and international creative firms to start-up and micro enterprises.

6.40 In addition to the retail proposals, the emerging masterplan at CLV will support a wide range of business space that will meet the needs of the creative sector. This will include office space, through smaller flexible B1a/ B1c units on terms that will support SME growth, through to very basic accommodation for businesses seeking lower costs.

6.41 The precise management arrangements have yet to be decided, but could range from simply providing very basic space through to office space that is fully fitted-out and equipped with everything needed for a fully- functioning office, including furniture and IT/telephone systems. Similarly, there is also the potential to offer very flexible letting terms through licences rather than leases. These would help start-up, small and growing companies to find the most appropriate space for their needs and take on more or less space as they needed it.

6.42 There is also the potential to link with local business development activities for example the "pop up" business space being run through Camden Town Unlimited, or through easy access space for new businesses in a small part of the new B Class floorspace. This will be discussed further with the Council.

6.43 The proposals retain B1(c)/ B2 space underneath the arches to the north east of the site.

6.44 The overall approach to CLV will therefore add to the strengths of Camden Town. It also offers the opportunity to address some weaknesses, by improving management and through that addressing the some of the consequences of the area's success such as anti-social behaviour.

d) <u>Employment Impacts</u>

6.45 We have undertaken an assessment of potential job numbers arising from these plans compared to the assumed employment in existing uses. This has involved a number of broad assumptions of jobs to floorspace in the new uses, and that the new B1 floorspace will support more intense use, ie more employees per square metre, than the current badly configured buildings. This is consistent with new guidance from the Homes and Communities Agency (HCA) and from the London Office Policy Review, both of which identify that new floorspace tends to be occupied more intensively because it is purpose built and so achieves greater efficiency of use. Primary School employment is based on information from the Department for Children, Schools and Families on School Workforce in England.

6.46 We have also translated these into the job types set out in the table 7 above.

Table 8: Completed Development Employment by Use

Use Class	GIA	NIA	Job Density	Jobs
A1 Retail NSA	5,134	4,364	12.5	349
Local A1 Retail NSA	563	479	19	50**
A3 - A5 Retail	2,420	2,057	18	229**
B1 Office	6,310	5,364	10	536
B1c Business	1,791	1,522	47	32
B2 Industrial	347	295	36	10
School	1,731	1,471	n/a	26
D2 Leisure	3,218	2,735	90	36
Market Operational Staff (includes management, financial, security, cleaning)				30
Gross Additional				1,298
Existing Employment				545
Direct Net Additional				753
Indirect Employment				75
Indirect Residential Effect				61
Direct & Indirect Net Additional				889

***NIA is calculated as being 85% of GIA**

**** Headcount – Takes into consideration part-time/ shift work**

6.47 This total is a "headcount", that is the number of people who will work there. The full-time equivalent (FTE) is lower at 1,140 because retail jobs involve significant shift and part-time work which means there will be more individuals employed than there are workspaces. The Direct Net Additional FTE employment is therefore estimated at 594.

6.48 In addition to the direct jobs the development will also stimulate further indirect jobs via the "multiplier effects" of new businesses, residents and workers spending money locally. The standard multiplier effect for jobs and business spending at a local level is estimated by English Partnerships as 1.1. For this development that equates to a further 72 jobs. In addition to that, there will be jobs created by residents' spending. The GLA estimates that every extra 1,000 residents supports around 230 jobs. For this development that equates to a further 61 jobs. The total employment uplift, including Direct and Indirect jobs, is therefore estimated at around 890 jobs. These will be in all sectors and levels of jobs, as the following table shows.

Table 9: Completed Development Employment by Sector & Occupation

Workspaces By Sector & Type	Jobs
Retail, Food & Drink: Managerial and Supervisory	151
Retail, Food & Drink: Sales and Other	507
Office/Creative: Professional, Managerial and Technical	424
Office/Creative: Admin & Secretarial	113
Workshop/ Light Industrial	42
Leisure	36
Education	26
Total	1,298

6.49 As we have seen above the uses of the different types of employment floorspace will depend as much on the types of occupiers as the types of space provided. The office floorspace could be configured as a series of smaller office units, larger single let units, either serviced or self contained. This will depend on the market and likely occupier types as each phase of the scheme is brought forward.

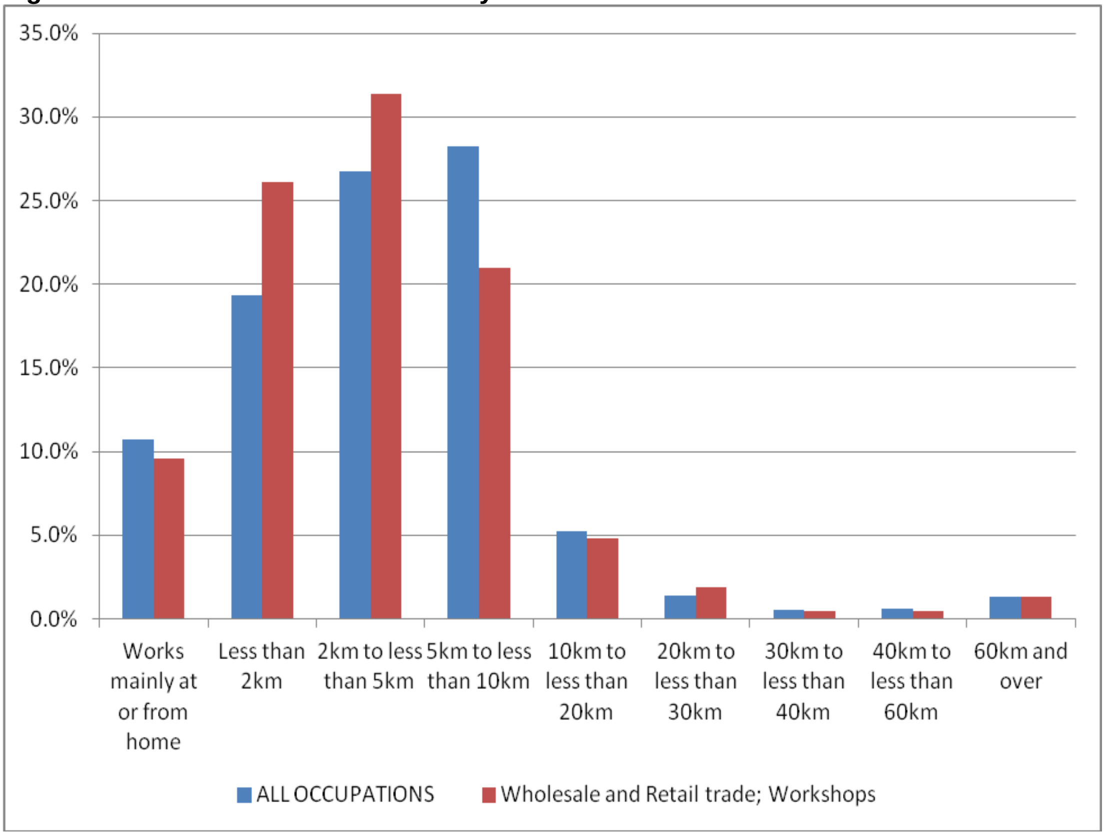
6.50 Similarly demand for workshop and industrial space is quite generic, with for example a range of different creative industries type occupiers being able to occupy different types of space (as well as office floorspace). This could involve designer makers linked with the markets, or artists or jewellery studios as well as more traditional use of the arches.

6.51 This combination of smaller types of flexible space addresses directly the aims set out in the planning brief and in the Employment Land Study of retaining and improving some existing employment and workspace whilst bringing in new elements that can contribute to the wider vitality and viability of the development and the area.

6.52 Furthermore, the proposed mix of uses will have significant local benefits. The main employment sector (retail) and the main occupation (sales) both attract a more local workforce than other sectors and occupations and both have a skills profile that matches LB Camden's unemployed population reasonably well.

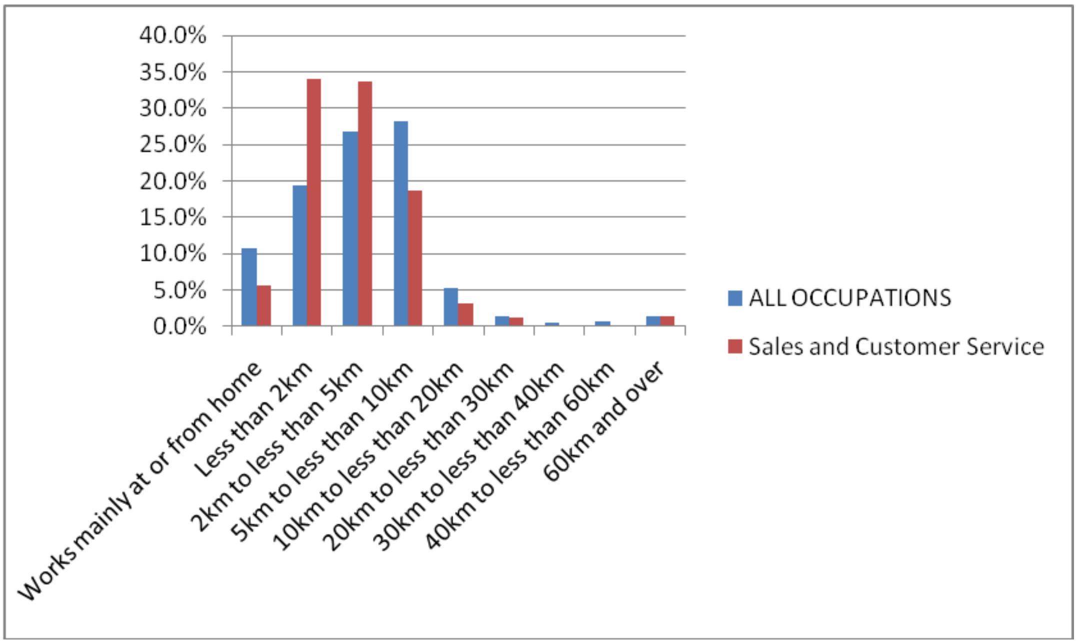
6.53 The following charts use data from the Census to analyse the typical travel to work distances of LB Camden residents. The first chart shows that workers in the retail, wholesale and workshop sectors have much shorter travel to work distances than the average. Over 25% of workers live within 2km of where they work and over 55% within 5km. This compares to an average across all sectors of 19% under 2km and 46% under 5km.

Figure 12: Travel to Work Distances by Sector



6.54 Similarly for workers in sales occupations, travel to work distances are much shorter. Just under 35% of sales and customer service workers live within 2km of their work and around 68% live within 5km of where they work. That compares to the same averages of 19% and 46% for all occupations.

Figure 13: Travel to Work Distances by Occupation



6.55 In addition to the very local workforce that the development will attract, there will be a large number of vacancies – much larger than for a mainly office-led scheme. When office-based firms relocate they tend to take most of their staff with them, which means there are relatively few vacancies that local people could fill. However, retail and leisure businesses tend to transfer only managerial staff and then recruit locally to fill new vacancies.

6.56 These vacancies are relatively well matched with LB Camden's unemployed population. The following table shows the proportion of jobs that are at low, middle and high skills levels for three sectors in London – hotels & restaurants, retail, and business services – and compares them to the skill levels of unemployed residents in LB Camden.

Table 10: Skill Level

Skill level	Hotel & Restaurants	Retail	Business Services	LB Camden unemployed
Low	**44%**	**54%**	**11%**	**45%**
Mid	**28%**	**20%**	**22%**	**28%**
High	**28%**	**27%**	**67%**	**26%**

Source: Census & Annual Population Survey

6.57 The mix of uses will therefore have significant local benefits, because they will create lots of vacant positions that match the skills available amongst local unemployed people, and which would normally be filled overwhelmingly by residents from within 5km and often within 2km.

6.58 However, Stanley Sidings Ltd recognises that further work with partners is required to ensure that the benefit of the impact is truly maximised for local people. Camden Council has a number of initiatives which it has used for other developments, for example Regents Place and Kings Cross, to maximise local employment in construction and in completed development

7 SUMMARY & CONCLUSIONS

7.1 Stanley Sidings Ltd appointed Quod to undertake an economic study of the potential role of their proposed development at Camden Lock Village (a site also known as Hawley Wharf) in supporting the economic success of Camden Town.

7.2 The site currently contains the Camden Canal Market, railway arches and other workspace, with yards, and some residential properties. The planning brief for the site notes that current uses are sub-optimal and that it has “untapped potential to contribute to the future of Camden Town”.

7.3 The wider Camden Town area is one of the Borough’s most important economic drivers. Its unique combination of shops and markets; arts, culture, and entertainment; and workspaces and creative industries; and the way they interact with one another has meant that the area has outperformed most other Inner London centres.

7.4 Camden Town is focused around its linear High Street stretching for about a mile from Mornington Crescent in the south to Chalk Farm in the north. The Town Centre’s development reflects the constraints formed by the infrastructure that helped define and drive the development of the area, namely the canal and railway lines, as well as the modern road network and housing.

7.5 There are six main markets within the town centre; Buck Street, Electric, Stables, Camden Canal, Camden Lock and Inverness Street, as well as an indoor market on Camden High Street. All of these are clustered around the northern end of the High Street from Camden Town station towards Chalk Farm station. The markets mainly trade in specialist fashion goods, arts and crafts, antiques and food. This section of the town centre also has a large amount of leisure floorspace, bars, restaurants, entertainment etc, workshops, studios and offices.

7.6 In general, Camden High Street takes the form of a traditional high street with a mix of retail, pubs, restaurants and office floorspace. The markets dominate to the north and leisure uses are spread across the whole area.

7.7 Despite the broad area characteristics, there is a strong complementarity of the uses across the whole of the Town Centre so that the whole is greater than the sum of the parts. Other town centres in London have some of what Camden Town has to offer, but no other town centre has all of what

Camden Town has to offer and so none can match its overall performance or position as an internationally recognised destination for shopping, leisure and creative businesses.

7.8 LB Camden produced a Supplementary Planning Document for Hawley Wharf. This states that the Council will support a mix of uses that includes housing (including affordable housing), retail (including markets, small-scale speciality retail, and local shops), employment and business uses (including replacement provision for light industrial and workshop accommodation that may be lost), and associated community facilities and public spaces. It states that striking an appropriate balance between the needs of visitors and local residents will be crucial to the future success of the overall town centre.

7.9 The core part of the Camden Town area is located in the Camden Town and Primrose Hill Ward of the London Borough of Camden. Data suggest that:

- The ward has a much lower proportion of owner occupied housing than the London and national averages (37% compared to 57% and 69%) and significantly higher proportions of social rented (36%:26%:19%) and private rented homes (27%:17%:12%);
- It has a much higher proportion of residents in professional and higher level occupations (70%), than the London average of 50%, and a highly qualified population with nearly half of residents having a higher level qualification compared to a third at the London level;
- More broadly Camden Town itself forms an area of transition from the more deprived areas of mainly Council housing to the east and south (Somers Town, Regents Park Estate and around Bayham Street and between Chalk Farm and Kentish Town roads), and the more wealthy and up-market areas around Primrose Hill, Belsize Park and Regents Park, although all of the area remains mixed;
- There is strong correlation between areas of affordable housing and worklessness and deprivation;
- Overall the total proportion of working age people in receipt of “out of work benefits” is 13.1 per cent, meaning that for every person counted as unemployed there are three others not working and receiving benefits. In some concentrated areas, including the

estates to the north of Camden Lock village over 30% of working age residents receive in work benefits. This will equate to more than half of households.

7.10 Since Camden Lock markets opened, Camden Town has undergone a steady process of regeneration with more visitors being attracted by an increasing range of shops, bars, restaurants and venues and more businesses moving in to cater for those visitors. At the same time, this has helped attract other businesses that are drawn by the area's proximity to the West End, relatively inexpensive (non-retail and residential) property costs, and the general ambience from the mix of creative and leisure businesses and shops.

7.11 As a result, Camden Town now boasts a diverse local economy with a wide range of businesses in a range of sectors, particularly in areas such as media and creative industries. Camden's markets have played a large part in creating and supporting the characteristic elements that have lead to Camden Town's success as a town centre.

7.12 Camden Town's unique character and success is due to the combination of its various components. "The whole is greater than the sum of the parts" with each element, being linked to and reinforcing each other. This is what gives Camden Town the competitive advantage over other town centres of its size.

7.13 The four main drivers of the Camden Town economy are:

- The Markets
- High StreetRetail
- Creative Industries and Office Occupiers
- The Night-Time Economy & Visitor Attractions

7.14 We have benchmarked Camden Town against a number of inner London Town Centres - Hammersmith, Kensington High Street, Brixton, Kings Road, Angel, Dalston, Lewisham and Peckham.

7.15 While Camden Town has some similar characteristics to these other town centres there are a number of distinct differences. For example, Camden Town is bigger than most similar centres and has more employment. With 15,622 jobs, Camden Town is on a par with Hammersmith (15,107) with only High Street Kensington (18,150) having more jobs.

7.16 In addition to the headline number of jobs, Camden Town has the added advantage of having a diverse private sector led economy. Whereas the comparator town centres tend to have a single sector that is much bigger than the others, Camden Town is more diverse and has a much bigger "Other Services" sector and a relatively smaller public sector. Table 4 below shows the industry sector breakdown for each of the town centres.

7.17 Camden Town is on the edge of the Central Activities Zone (CAZ), the location of most of London's "World City" functions, including offices, leisure, tourism and retail activity, it also is one of a number of CAZ fringe areas which mark the transition from the CAZ to more residential locations. Other similar areas would include Paddington, the City Fringe, and the South Bank/ Bankside. It is also part of a ring of major Town Centres such as the Angel, Brixton and Peckham, which have seen a major change in their role and function.

7.18 As a result, Camden Town is now home to major corporate office occupiers, creative industries and a range of retail and leisure businesses.

7.19 The companies that locate there do so for a variety of reasons, often having considered other locations. As such there is no clear measure of potential demand for any type of commercial space across Camden Town Centre and around its fringes. Occupiers would also be considering other similar locations such as Paddington, Farringdon, Clerkenwell, the City Fringe, and Angel.

7.20 The most visible element of Camden Town is the tourist, retail and entertainment core. However, it is also an important 'hub' for cultural and creative industry, including software, media, publishing, advertising, fashion companies, and design-oriented SMEs. In reality, a high proportion of Camden Town's floorspace is actually in offices but they are less visible because often because they are set back away from the main streets and the area lacks the highly-visible large-floorplate office towers found elsewhere. The result is that the Town Centre has a very wide range of different types and quality of office buildings.

7.21 The Applicant has taken extensive advice from agents about the market for office space and likely occupiers. The key points were

- Occupiers will most likely be from the media, fashion, advertising, and creative industries and the type of space they demand is very varied

- Demand for artisan workspace
- The ideal unit size is 2,000 - 5,000 sqft but with flexibility in the design
- Some demand for flexible space i.e. 500sqft, 1,000sqft and 2,000sqft units
- Plain finish, industrial look will be let easily as long as all infrastructure is in place
- Occupiers like the feeling of the community so provide in house facilities like bar, café, canteen, etc

7.22 The masterplan proposes a comprehensive re-development of the Hawley Wharf site, providing a balanced mix of uses on the site, while maximising the efficient use of land and providing an upgraded, high quality, environment. The proposed uses are:

- Retail (high street and market retail), Food and Drink and leisure, in new purpose built facilities;
- New office floorspace, to replace existing floorspace at Water Lane and on Castlehaven Road, with new higher quality and more efficient space;
- Refurbishment and Improvement of arches, combined with new lower specification space to provide for both Business/Workshop and Light Industrial Uses;
- Flexible B1a/ B1c use class;
- A new one form entry (1FE) primary school with nursery

7.23 The proposals for Camden Lock Village will make a major contribution to the Camden Town blend and support its continued success.

7.24 The existing markets play a very important role in supporting entrepreneurship. Both Stables and Camden Canal markets have been successful incubators for businesses, with around 10% of stalls having additional premises elsewhere. The markets offer a simple way for businesses to become established in a successful area with heavy footfall.

7.25 The proposals include all the key elements that make Camden Town successful – retail, including markets, food and drink, and employment space that is focused on creative industries. This is combined with design and management that will ensure that the anti-social behaviour problems that blight other parts of the town centre are minimised as far as possible here.

7.26 We have undertaken an assessment of potential job numbers arising from these plans compared to the assumed employment in existing uses.

7.27 There are currently approximately 545 jobs on-site. The majority of these jobs (495) are in office and retail. There are also approximately 50 jobs in "industrial" uses. These uses are predominantly at the centre of the site and form a major barrier to movement through the area and creation of new open spaces.

7.28 The proposed masterplan produces the following number of jobs:

Table 11: Employment Generation

	Jobs
Gross Additional	1,298
Existing Employment	545
Direct Net Additional	723
Indirect Employment	75
Residential Effect	61
Direct & Indirect Net Additional	889

7.29 The proposed development will therefore have nearly 900 more jobs than the existing uses. There will be increases in all sectors and levels of jobs.

7.30 Furthermore, the proposed mix of uses will have significant local benefits. The main employment sector (retail) and the main occupation (sales) both attract a more local workforce than other sectors and occupations and both have a skills profile that matches LB Camden's unemployed population reasonably well.

7.31 The scheme proposals seek to provide a balanced approach to re-development, in line with the Council's objectives set out in the planning brief, with proposals combining some retention of existing space with new market, retail, leisure, office and workspace provision. This would provide an increase in workspace capacity of around 900, with increases in all types and sectors of employment, other than industrial. However, given the London labour market it is likely that the former employees of these businesses will have re-located to other sites and therefore not constitute a net loss in total employment.

7.32 Stanley Sidings Limited is committed to working with Camden Council and other partners to maximise local employment in the scheme, in construction and the completed development, and through work with business support agencies.